

**HUNGRY HORSE COUNTY WATER AND SEWER DISTRICT
BOARD OF DIRECTORS' REGULAR MEETING**

Thursday, February 18, 2021

Location: Water District Office, 528 Colorado Blvd., Hungry Horse, Montana

A. Call to Order: 6:02 pm by President Wagner (Note: The audio recorder was off for the first twenty three minutes of the meeting. The audio recorder was turned on at 6:25 p.m.)

B. Those present: President Doug Wagner, Vice President Vivian Allen, and Director Brent Schmidt, Chief Financial Officer Jamie Foster arrived at 6:05 p.m. Director Richard Hardesty arrived 6:23 p.m. Staff: General Manager/Operator Ben Shafer. Secretary Rita Venable attending via cell phone audio. Bookkeeper Judy Rosenbaum joined the meeting at 6:13 p.m. via cell phone audio and left the meeting at 7:19 p.m.

C. Public Comment. None

D. Minutes. January 21, 2021 meeting minutes with corrections were approved.

(6:10 p.m.) VP Allen moved to accept the minutes as corrected. All in favor. All ayes. Unanimous. Motion carried.

Resolved to accept the meeting minutes as corrected.

E. Reports – All reports from monthly meetings are available upon request from the Water District Office.

1. **(6:13 pm) Bookkeeper's Report** – Judy Rosenbaum

(6:25 pm) (Note: The audio recorder is turned on to record the meeting)

a. Financial Statements **(0:33)** Directors' Report, **(1:15)** Balance Sheet **(7:44)** GMO Shafer offered to contact the past bookkeeper and ask her to identify and explain the amounts that are posted to the Balance Sheet Account named *In One Year*, because the bookkeeper is not able to determine what this account's balance represents without extensive research. The bookkeeper states the entries posted to this account are over 10 years old and an accountant should be consulted prior to any adjusting entries being made. The bookkeeper's attempts to contact the former bookkeeper have been unsuccessful..

b. Bills

c. Amended Budget FY21

d. **(14:21)** Correspondence

Received:

WFCU – 1099-INT 2020 interest earned \$1208.70

BNSF – 1099

IRS notification August 2020. The District' payment not submitted correctly - Payment was due 8/17/2020. Payment was dated 8/20/2020

MT DNRC approval notification for extension of Water Rights case WR 76LJ 64145 Notice of Completion (new due date 12/31/2030)

Glacier Bank statement dated 01/29/2021 Balance = \$86,606.96

Service Transfer app for Kila Properties (formerly Swan Mountain)

Sent:

Letter to Account #151 re: postdated check

Letter to Account #349 re: leak forgiveness

(19:15) GMO added an email he received from MT Rural Water regarding pending legislation for HB 255 and Amendments. Summary of HB 255 - *Revising time period to protest sewer and/or water district assessments*. The Board will take more time to read the Amendments to determine if the Amendments are about water customers who have grievances, but no recourse under current law or if it is about a commission setting rates for districts. After further study, the Board will have the GMO draft a letter to legislators with the Board's recommendations for how they would like the legislators to vote. The Board will approve GMO's drafted letter before it is sent out.

(23:34) VP Allen requested the GMO or the Bookkeeper to include in each month's Director's Report a rolling twelve month average of the water loss percentage (listed on the Directors' Report) for the current month, and the previous eleven months. VP Allen also complimented the GMO on his initiative and success with changes in noticing of overdue accounts; preliminary results show 1-60+ days past due accounts dropping from an average of 128 accounts/month to 58 accounts/month, and late fees assessed

dropping from an average of 69 late fees assessed/month to 48/month, while the amount collected for the latter remains almost identical due to the recent late fee increase.

e. **(32:37) DNRC Re-fi Discussion**

(33:47) VP Allen moved to approve the amended budget as it now stands. All in favor. All Ayes. Motion carried. **Resolved** to approve the amended budget as it now stands.

(35:14) Mr. Murdo, an attorney located in Helena, informed VP Allen that he is a Bond Counsel for the District and is available to answer the Board's questions. He will speak with Anna Miller of the DNRC regarding the District's situation. Anna can do a twenty year loan at an interest rate of 2% (vs. current 4.125%) and negate about six years of payments. If the District is interested or needs other ideas to consider, Julie Spencer, of Bigfork Water and Sewer, and also Sherry Johnson, an engineer located in Somers, would both be a helpful resource. The Midwest Assistance Program is a good program and could give the HH District good advice on how to run the District more efficiently. Mr. Murdo also mentioned the MT Rural Water gentleman located in Ronan. Mr. Murdo will talk to Anna Miller about working with the Board. He and Anna will put together an analysis for the Board. He thinks it may be better to apply for loan forgiveness for the two 2007 loans before trying to refinance. If the District's 2007 loans are eligible for forgiveness and the District does a refinance first, the refinance will negate the loan forgiveness. The Board will look into loan forgiveness before doing the refinance. President Wagner has a call into Mr. Murdo for an update on his conversation with Ms. Miller.

f. **(43:54)** Website Update: Ach Forms, Transfer of Service and new service applications have been uploaded. Consumer Confidence Report and the Mission Statement has been added. Board of Directors and staff's contact information has been updated. Cover page image has been temporarily changed.

(50:00) The Bookkeeper will ask the Website Developer if a password protected area of the website can be set up for the Board Members to upload and access non-public documents and information.

(54:08) Director Schmidt moved to pay the bills. All in favor. All ayes. Unanimous. Motion carried. **Resolved** to pay the bills.

2. **(54:30) Manager's Report** – Ben Shafer.

- a. Telemetry Update
- b. Monthly Report

3. **(1:26:59) Rules and Policies Standing Committee's Update on Bylaws** – None

F. Unfinished Business

1. **(1:29:41) Sand Creek Water Rights' Update.** President Wagner reported that our water attorney Ross Miller has sent our requested changes to the Settlement Agreement from the last meeting off to Romney Philpott, USFS Attorney. GMO has received HDR's final report and will get it to President Wagner.

2. **HDR Update and Final Approval.**

(1:31:40) VP Allen moved we accept the HDR Report, Future Water Needs Assessment, and we also send them a note of appreciation for the good job they did for us. All in favor. All ayes. Unanimous. Motion carried.

Resolved we accept the HDR Report, Future Water Needs Assessment, and we also send them a note of appreciation for the good job they did for us.

The GMO will ask the Bookkeeper is to enclose a Thank You note with the bill payment check to HDR.

3. **(1:33:17) Records Organization/Digitization.** The District's historical records and file room are in complete disarray. GMO Shafer said he has not started working on the files and personally considers the file room to be a lower priority. It was decided that members of the Board will volunteer to assist with the organization and digitization process. The Board discussed different methods of how the files can be organized, and the legal requirements for records' retention. Board Members who volunteer are to contact President Wagner or the GMO with their schedule of availability. Director Hardesty will ask his wife, who has county records' management experience, for her advice for the proper organization methods to use. **(1:40:40)** VP Allen recommends that the original files be organized according to Director Hardesty's wife's recommendations and then that annual comb-

bound yearbooks be compiled of the minutes and their reports and other meeting documents in chronological order for ease of access. (Comb binding is recommended as it is more secure.)

(1:45:04) President Wagner noted 'Unfinished Business' agenda items will be discussed for the duration of the meeting, but not in order as listed on the Agenda.

11. (1:45:38) Online Water School Discussion. Who should attend and which Board Members want to attend and who would want to become certified operators was discussed. VP Allen and Director Hardesty are interested. Another district in Montana requires all directors be certified operators and the Board felt there was some value in that concept. GMO Shafer will contact Tanya at MT Rural Water to get information about what is available, the dates and the cost of the two day, in person training.

9. (1:49:54) Update from visit with Mr. Hammer, Attorney. Board Members reviewed the 'Attorney Fee Agreement' received from Mr. Hammer. The December 16, 2020 meeting with Attorney Hammer, attended by President Wagner, VP Allen, CFO Foster and Director Schmidt, was a free consultation. The eight hundred eighty two dollar bill received from Mr. Hammer was a result of answering the many questions that our secretary and board had. Director Allen had some suggestions that she thought would better protect the district. After much discussion, there was concern that it could drive the cost up even further so the Board decided to think about it for a while. It is a standard form sent to the district. VP Allen is to make the suggested changes and email them to President Wagner for review. Mr. Hammer did not require retainer or Engagement Letter but they are serving the District on an as needed basis. President Wagner requested the letter so that the board has a written agreement.

10. (2:10:23) Newsletter: VP Allen moved to table the newsletter until we have together the reporting we would like to include in it and that it will go out no later than May of this year. All in favor. All ayes. Unanimous. Motion carried.

Resolved to table the newsletter until we have together the reporting we would like to include in it and that it will go out no later than May of this year.

12. (2:15:31) Review of Board Resolutions October 2019 – April 2020: The Board had determined back in July of 2020 that once they could determine the date Director Anne Wheeler sold her property and moved out of the District, the Board would need to go back and look at the Resolutions taken in meetings held October 2019 through April 2020 which Ms. Wheeler's and Mr. Rowntree's attendance or votes may have made any difference in a proper quorum or majority vote. In such case, the current Board would review and reaffirm resolutions as may be appropriate. CFO Foster questioned if resolutions for paying the bills are something the Board needs to fix, since MCA says the Manager is in charge of paying the bills. VP Allen shared MCA 7-13-2278: The General Manager shall ensure that the district maintains a system of accounting [vs. bookkeeping alone] and auditing that shows the financial condition of the district. **(2:20:44)** GMO advised the Board the sale date of Director Wheeler's property was October 11, 2019.

(2:21:46) VP Allen will locate the digital minutes from October 2019 through April 2020 and send them to President Wagner for his review and recommendation.

(2:24:10) Agenda items: Standard Operating Procedures, Employee Evaluation Form and Handbook, Employee Contracts and Employee Job Descriptions: The District has been operating without these resources. The Rules and Policies Standing Committee were assigned to first create and implement the Standard Operating Procedures for the Board, including the inter relationships between the Board and District employees. GMO is working on an SOP manual for Operations. After completing the Standard Operating Procedures, the Employee Evaluation Form and Handbook will be created using templates and possibly designs used by other local water districts. Employee Job Descriptions are to be drafted by each current employee listing their current job duties. Job Descriptions will be finalized by the Standing Committee. After Employee Job Descriptions have been finalized, the Board will decide if Employee Contracts are necessary as a comprehensive Job Description may suffice.

G. (2:38:40) New Business

1. Register of Seated Board Resolutions and District Task Register: Resolutions the Board has taken, and tasks volunteered for or assigned since May 19, 2020 to date are listed in the register as a tool to track our progress and to be sure we follow through on everything we've committed to do and keep things from falling through the cracks. Add a new tab for completed tasks. The Secretary will ask the Bookkeeper if the Resolution and Task Registers can be uploaded to the google share drive with access for members and staff.

(2:48:54) CFO Foster discussed her ideas about reports with the Board. GMO will provide CFO with a link for free word processing and spreadsheet software available for her use.

2. (2:54:36) **Grievance policy:** Some research has been done.

3. (2:57:01) **NextDoor Hungry Horse Website:** The Board discussed the possibility of joining the NextDoor. GMO Shafer described NextDoor as a social network for neighborhoods. VP Allen will look into it farther and report back.

(3:05:31) President Wagner moved to adjourn. All in favor. All ayes. Unanimous. Motion Carried.

Resolved to adjourn. 9:30 p.m.

Approved by:

DocuSigned by:
President: Douglas T. Wagner
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Date: 3/30/2021

Respectfully Submitted by:

DocuSigned by:
Secretary: Rita Venable, on behalf of the Hungry Horse County Water District Date: 3/30/2021
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